

OUTCOME: EVERY CITIZEN IN DURHAM HAS ACCESS TO ADEQUATE, SAFE & AFFORDABLE HOUSING

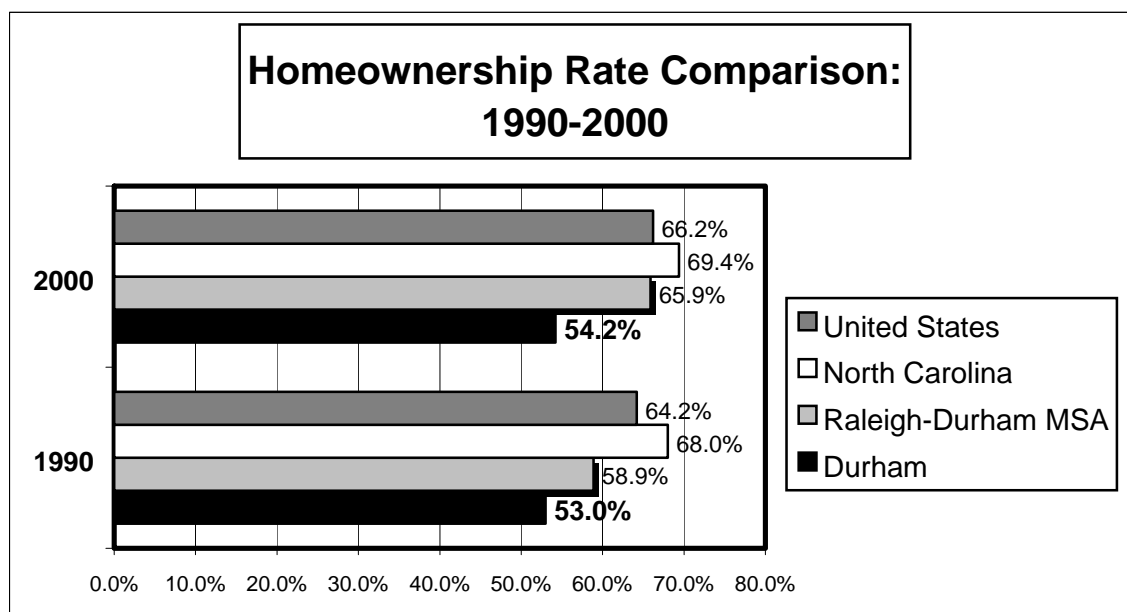
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INDICATOR 1: Increases/Decreases in Homeownership Rate



Story Behind the Curve

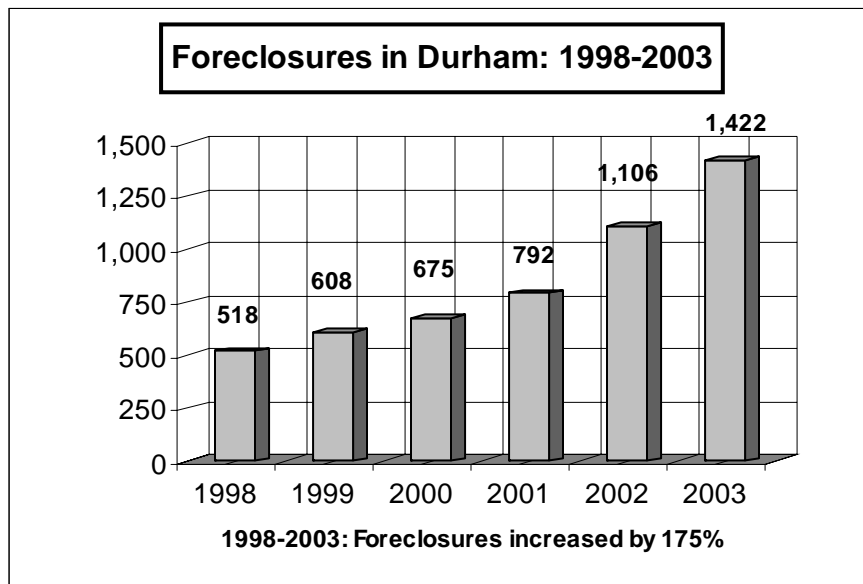
Owning a home is the American Dream ... it builds wealth and strengthens neighborhoods. Yet Durham's homeownership rate has been the same since 1990 *and* continues to be lower than the regional, State and National homeownership rates. Between 1990 and 2000, Durham's homeownership rate has basically stayed the same: 54.2% (2000) vs. 53.9% (1990). During this same period of time, the Regional rate increased from 58.9% to 65.9%; the State rate increased from 68.0% to 69.4% and the National rate increased from 64.2% to 66.2%.

Durham's lower homeownership rate can be attributed to a number of factors including: Nationally, minority homeownership rates lagged behind that of whites by *almost* 27% and Durham has a large minority population. Between 1990 and 2000, Durham County's minority population grew by 24% -- from 39.6% (1990) to 49.1% (2000). Furthermore, the percentage of low-income households (50-80% of MFI) has basically stayed the same: 41.8% (5,646 HHs) in 1990 vs. 41.6% (7,017 HHs) in 2000.

New home prices in Durham have risen faster than household income. New home prices in Durham increased by 50% while household incomes in the region had only risen 34%.

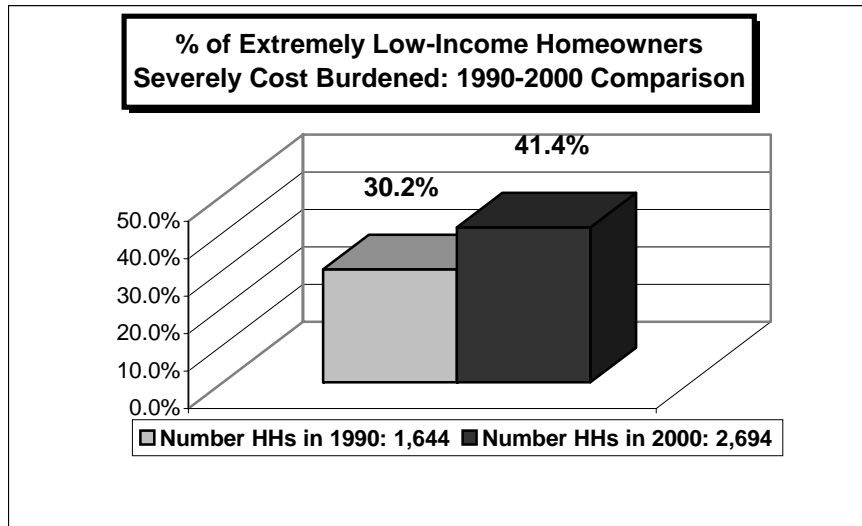
Recent large increases in the number of foreclosures in Durham and across the State.

Between 1998 and 2003, the number of foreclosures in Durham increased by 175% while foreclosures statewide increased by 189%. This increase is due in part to the recent recession and resulting job losses/cutbacks as well as to predatory lending practices targeting elderly and low-income minority households, which often results in foreclosure.

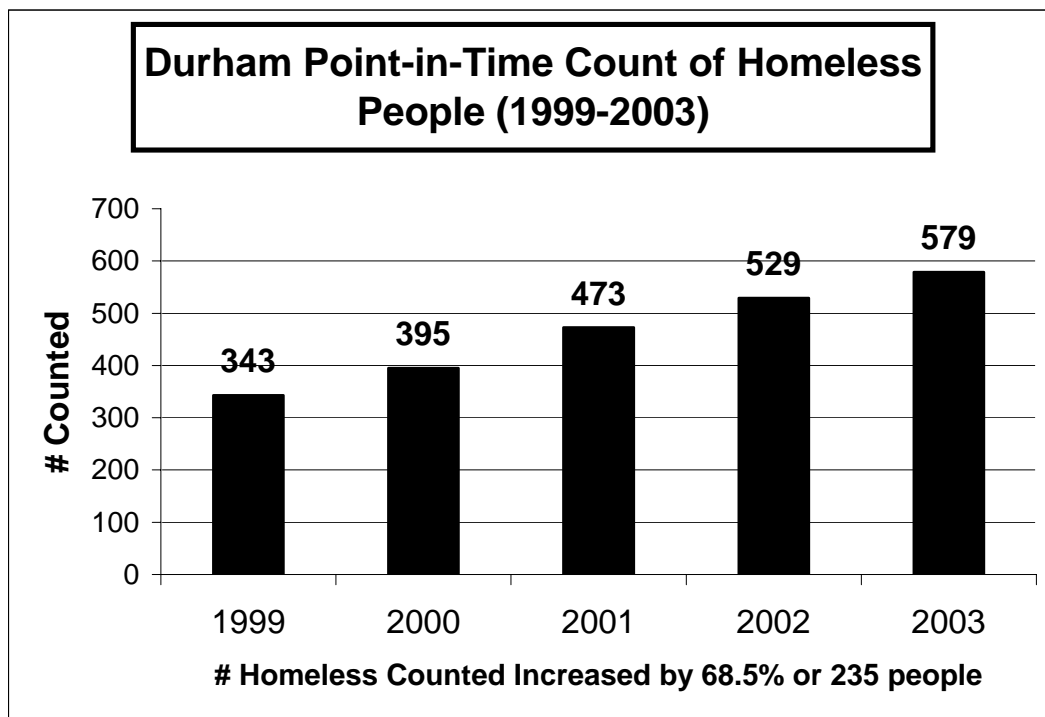


The increasing number of *severely cost burdened* low-income homeowners (i.e., households earning 50% or less of the MFI and who spend more than half of their income on housing) puts these homeowners at risk of losing their home. Between 1990 and 2000, the percentage of severely cost burdened low-income households increased by 37%: from 30.2% (1,644 households) in 1990 to 41.4% (2,694 households) in 2000. Many of these homeowners are

elderly and/or disabled and are unable to properly maintain their homes. Thus, not only are they at risk of losing their homes, many of these homes are in severe disrepair (substandard).



INDICATOR 2: Increases/decreases in homeless persons

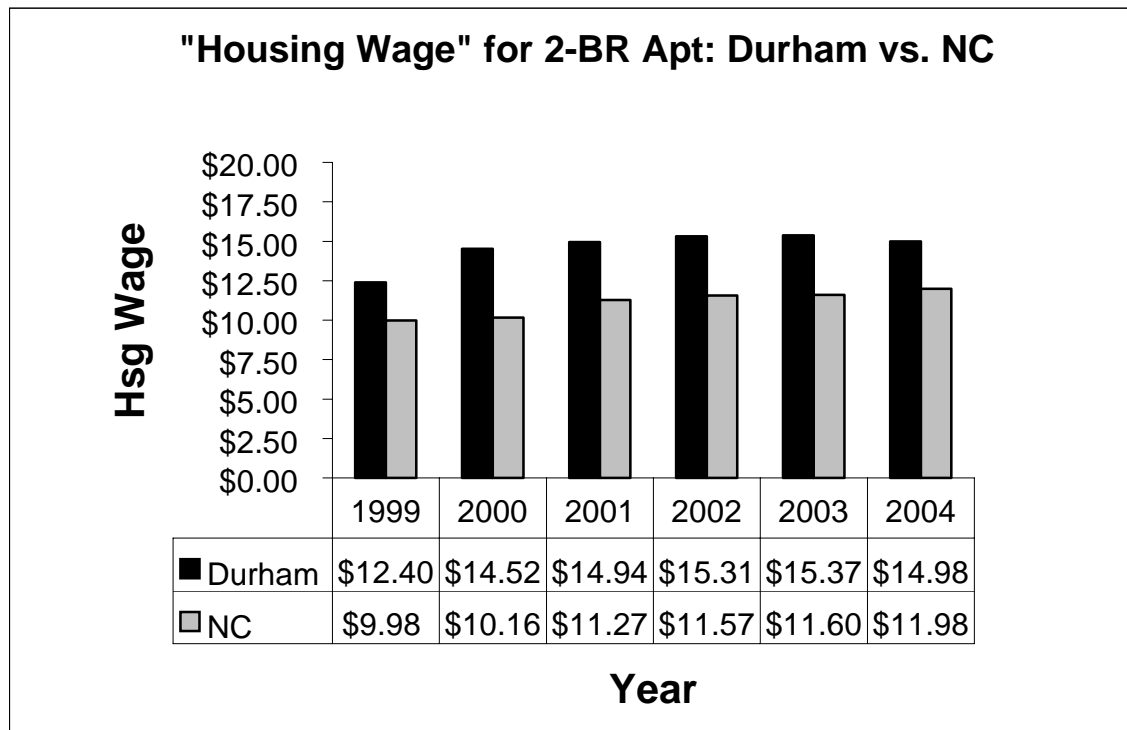


Story Behind the Curve

If owning a home is the American Dream, then being homeless is an American tragedy. Unfortunately, like most communities across America, the number of homeless persons in Durham continues to increase. Between 1998 and 2003, the number of homeless people counted during the annual Point-in-Time Count increased by 68.5% or by 235 persons. During this time, the number of homeless families with children as well as the number of people living on the streets (i.e., the “chronically homeless”) also increased. In addition, we know those counted during the Point-in-Time Count are only a fraction of the number of homeless persons. For example, Urban Ministries of Durham provided emergency shelter for more than 1,300 adults and children during FY 2003-2004 and the number of people at risk of homelessness is even higher.

The increase in the number of people who are homeless or at risk of homelessness is due in part to the following:

Durham is part of the *most* expensive rental housing market in the State, where housing costs are increasing faster than wages for many people. Between 1990 and 2000, the median rent increased by 58% but median household income only increased by 42%. In 2004, a full-time worker would need to earn \$14.98 an hour or almost three times the minimum wage to afford the average rent for a 2-bedroom unit in the Raleigh-Durham housing market. Statewide, the same worker would need to earn \$11.98 an hour for that same 2-bedroom unit.



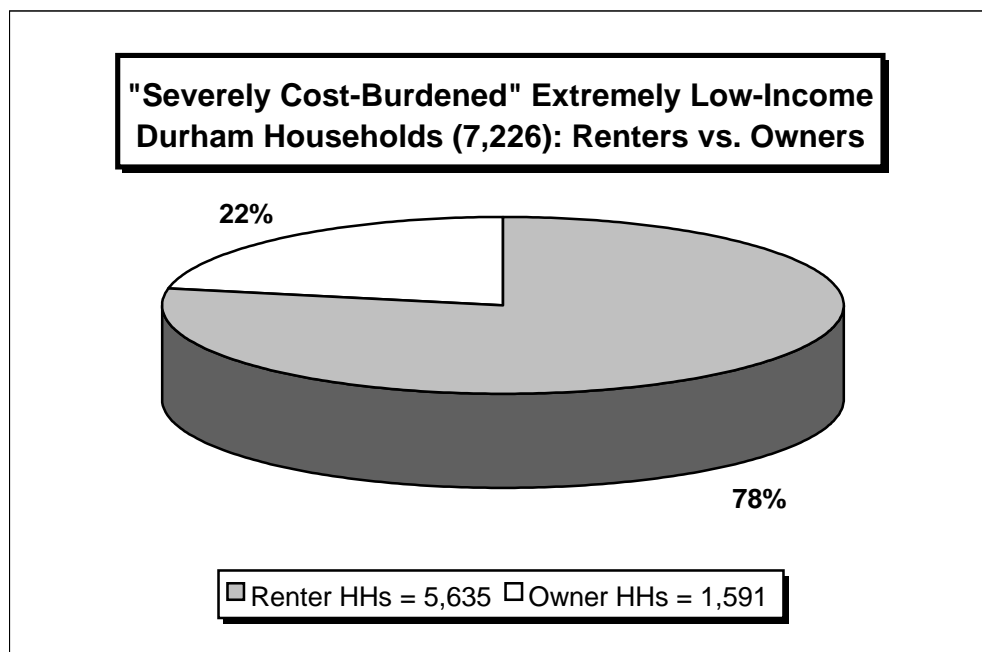
There is a severe shortage of affordable rental housing, especially for extremely low-income households (Those who earn less than 30% of the median family income). According to the 2000

Census, there were 10,227 renters with extremely low-incomes but only 6,785 units affordable to these households. This indicated a supply gap of more than 3,400 rental units.

Moreover, persons with a disability receiving social security (SSI) are particularly at risk of homelessness. Persons receiving SSI earn just \$ 6,948.00 annually or about 13.9% of the area median household income. As of December 2004, 3,519 adults in Durham were receiving SSI. On this monthly income of \$579.00, they can only afford to pay \$174.00 towards rent (30% of their income). According to the 2000 Census, there were only 2,108 units renting for \$199.00/month or less in Durham. This indicates a gap of more than 1,400 units affordable for SSI recipients. Unfortunately, many of these households are forced to live in substandard and/or overcrowded housing because that is all that they can afford.

Due to the overall lack of affordable housing many households are “severely cost burdened” and at high risk of becoming homelessness. In 2000, there were more than 13,000 extremely low-income households (10,227 renters & 2,108 owners). For a family of four, this equals a maximum household income of \$ 21,400 a year (2003). More than half of these households (54.2% or 7,226) paid more than 50% of their monthly income for housing.

While the majority of these households are renters (5,635 or 78%), 1,591 are homeowners (22%). Many of them are elderly and/or disabled homeowners who are unable to properly maintain their homes. Thus, not only are they at risk of losing their homes and becoming homeless, many of them are also living in severely substandard housing.



INDICATOR 3: Number of people living in Substandard Housing

Reliable data source(s) still to be identified. The number of substandard homes changes from day to day. Over the course of a year, a certain number are brought up to Minimum Housing

Code but others become substandard so it is hard to determine if there is a net gain or not.

We need to regularly survey the housing stock (i.e., annually) to get a better idea of how many houses are substandard, both renter and owner-occupied.

Story Behind the Curve

A survey conducted by the Campaign for Decent Housing & Dept. of Housing identified 781 substandard and vacant homes. While we know the number of substandard homes is much higher, the City needs to inspect all rental properties on a regular basis (i.e., once every 5 years) as well as create a database to track and identify problem property owners. In the meantime, bringing these specific homes up to Code should be a priority.

In 1996, the City identified approximately 4,000 substandard homes.

Since 1998, the City and Campaign for Decent Housing have brought more than 7,000 homes up to Code.

Deteriorating lead-based paint and lead-contaminated dust in and around older, substandard rental properties are the main source of lead poisoning of children. The Children's Environmental Health Initiative at Duke University has identified 5,900 properties at highest risk of having lead-based paint health hazards (Priority 1 homes).

The City has identified 482 substandard homes in designated target areas (NCCU, Trinity Park, Walltown and North East Central Durham).